



ERNIE FLETCHER
GOVERNOR

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES
COMMISSIONER'S OFFICE
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JAMES W. HOLSINGER, JR., M.D.
SECRETARY

December 10, 2004

Nursing Facility Provider Letter # A-213

Dear Nursing Facility Provider:

Governor Ernie Fletcher and Health and Family Services Secretary Dr. James W. Holsinger Jr. early this year announced a Medicaid modernization plan with a goal of providing the highest quality care to our citizens in the most cost efficient manner possible. The Medicaid program provides health care services to 673,000 Kentuckians and has an annual budget of over \$4 billion.

Major emphasis will be placed on reviewing pharmacy costs and benefits. Kentucky Medicaid recipients average more than twice the national average in the number of prescriptions. The Department plans to review its prior authorization and utilization review criteria to bring these averages in line with national averages.

In addition to cost efficiency, the Department is also striving to ensure Medicaid Nursing Facility residents receive the highest quality of care possible. As a result of this initiative, the Department for Medicaid Services may notify Nursing Facility providers identified to have significant numbers of their residents taking twenty (20) or more prescription drugs during a one (1) year period, and/or providers whose residents are taking Beers' list medications which are contraindicated for the elderly. The Department will further request that providers "clinically justify" why the care needs of the resident necessitate potentially over utilizing drugs, and/or drugs contraindicated for the elderly.

Should you have any questions, please contact Ms. Angela G. Kirkland, MA, Director, Division of Long Term Care & Community Alternatives at 502-564-7540.

Sincerely,

A handwritten signature in cursive script that reads "Shannon Turner".

Shannon R. Turner, JD
Commissioner

SRT/jm